

ER 7-8017/A-

Ref - DDS 56-157A

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card
Honorable Olin D. Johnston
Chairman
Committee on Post Office & Civil Service
United States Senate
Washington 25, D. C.

Dear Mr. Chairman:

Thank you for your letter of 12 January 1956, requesting the comments of this Agency on pending executive pay legislation.

It is most important that action be taken to raise executive pay scales in order to assist the Government in the recruitment and continuing employment of highly competent individuals for key posts.

I believe that the provisions of S. 2628, now before your Committee, represent a substantial advance over existing legislation governing the rates of compensation for executive positions within the Government.

Sincerely,

SIGNED

Allen W. Dulles
Director

IG:NSP/blc (13 Feb. 56)
Orig. & 4 - Addressee
2 - Signer ✓
2 - Legislative Counsel w/basic
2 - DD/S
1 - IG
2 - Personnel
1 - Col. Grogan
1 - Philip Young, Chairman, Civil Service Commission
1 - Roger W. Jones, Assistant Director, Bureau of the Budget

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DATE: 24/3/81 REVIEWER:

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ER-7-8018A
DDS 56-157A

Honorable Olin D. Johnston
United States Senate
Washington 25, D. C.

Dear Senator Johnston:

Thank you for your letter of 12 January 1956, requesting the comments of this Agency on S. 2628 and H. R. 7619.

H. R. 7619 provides annual compensation for the Director of Central Intelligence at a rate equivalent to that proposed for Secretaries of the military departments and the Director of the Federal Bureau of Investigation. S. 2628 proposes compensation for the Director of Central Intelligence in the same relative category. The compensation for the Deputy Director of Central Intelligence is the same under S. 2628 and H. R. 7619, but there is a difference between these bills as to the position of the Deputy Director relative to other executive officials. H. R. 7619 places the Deputy Director of Central Intelligence at a level with the Under Secretaries of the military departments, the Deputy Under Secretaries of the Department of State and the Deputies of a number of agencies, at a category above the Assistant Secretaries of the executive departments. S. 2628 establishes the rate of compensation of the Deputy Director of Central Intelligence at the same level as provided in the House Bill, but places the position in the same category with Assistant Secretaries of the executive departments.

I do not consider it appropriate for me to comment on the amount of compensation proposed for either the Director or Deputy Director of Central Intelligence. I do wish to stress, however, the importance of having these positions established at the appropriate level in the executive branch. Otherwise, the functioning of all senior levels in the Agency would be impaired by an implicit down-grading which raises obstacles to the establishment and maintenance of proper working relationships with officials of other Government departments.

I believe it would be appropriate for the position of Director of Central Intelligence to be established at the level of the Deputy Secretary of Defense, the Under Secretary of State and the senior Administrative Assistants to the President, with whom he works on equal terms. The Director of Central Intelligence regularly participates in the deliberations of the National Security Council and is a full member of the Operations Coordinating Board. The Director acts as the senior intelligence advisor to the Government in addition to his responsibilities as the head of the Central Intelligence Agency. This distinction was recognized by the Congress in the National Security Act of 1947, which established both the position and the Agency. In this connection, it may be noted that the recent Hoover Commission Task Force concerned with intelligence activities recommended that the position of Director of Central Intelligence should be equated with that of the Deputy Secretary of Defense.

I believe that the position of the Deputy Director of Central Intelligence should be established at the same level with the Deputy Under Secretaries of State and the Under Secretaries of the military departments, irrespective of the amount of compensation involved. This arrangement is justified not only because of the broad responsibilities of the Deputy Director of Central Intelligence but also because the principal operating deputies under him in the Agency must deal as equals with Assistant Secretaries of State, Defense and other departments. This de facto equality has long been recognized in the composition of interdepartmental boards, such as the Planning Board of the National Security Council. The Hoover Commission Task Force on intelligence activities has expressed the view that the position of Deputy Director of Central Intelligence should be equated with those of Under Secretaries in the executive departments.

Both S. 2628 and H. R. 7619 propose the establishment of a fifth step increase of compensation for the grade GS-17 (\$14,835) and an increase in the basic rate of the grade GS-18 from \$14,800 to \$16,000. S. 2628 further provides for three additional rates of compensation for the grade GS-18. Increasing these grades in consonance with the proposed raises in compensation for specific executive officials is considered desirable.

Sincerely,

Allen W. Dulles
Director

Honorable Olin D. Johnston, U. S. Senate

Originators: OP, IG/LC

CONCURRENCES.

STAT
[Redacted]

STAT
[Redacted]
Deputy Director (Support)

3 Feb 56
Date

[Redacted]

Inspector/General

6 Feb. 56
Date

cc: Mr. Philip Young, Chairman
U. S. Civil Service Commission

Mr. Roger Jones, Assistant Director
for Legislative Reference
Bureau of the Budget

and
IG:NSP:fm (3 Feb 56)

Distribution:

Orig & 4 - Addressee

2 - Signer ✓

2 - Legislative Counsel - *W. L. Baker*

2 - DD/S

1 - IG

2 - Personnel



CENTRAL INTELLIGENCE AGENCY

WASHINGTON 25, D. C.

OFFICE OF THE DIRECTOR

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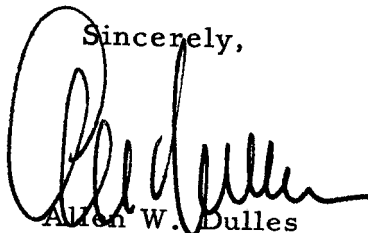
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I believe it would be appropriate for the position of Director of Central Intelligence to be established at the level of the Deputy Secretary of Defense, the Under Secretary of State and the senior Administrative Assistants to the President, with whom he works on equal terms. The Director of Central Intelligence regularly attends meetings of the National Security Council, is the principal foreign intelligence advisor to the Council, and is a full member of the Operations Coordinating Board. The Director acts as the senior intelligence advisor to the Government in addition to his responsibilities as the head of the Central Intelligence Agency. This distinction was recognized by the Congress in the National Security Act of 1947, which established both the position and the Agency. In this connection, it may be noted that the recent Hoover Commission Task Force concerned with intelligence activities recommended that the position of Director of Central Intelligence should be equated with that of the Deputy Secretary of Defense.

I believe that the position of the Deputy Director of Central Intelligence should be established at the same level with the Deputy Under Secretaries of State and the Under Secretaries of the military departments, irrespective of the amount of compensation involved. This arrangement is justified not only because of the broad responsibilities of the Deputy Director of Central Intelligence but also because the principal operating deputies under him in the Agency must deal as equals with Assistant Secretaries of State, Defense and other departments. This de facto equality has long been recognized in the composition of interdepartmental boards, such as the Planning Board of the National Security Council. The Hoover Commission Task Force on intelligence activities has expressed the view that the position of Deputy Director of Central Intelligence should be equated with those of Under Secretaries in the executive departments.

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Sincerely,


Allen W. Dulles
Director

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United States Senate
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I am informed that the Administration favors the provisions of S. 2628. The only recommendation I would add, with respect to the specific application of this legislation to the Central Intelligence Agency, is that the Congress bear in mind the importance of having the positions of the Director and Deputy Director of Central Intelligence established at the appropriate level within the executive branch.

A The Director of Central Intelligence works on equal terms with the Deputy Secretary of Defense, the Under Secretary of State and the senior Administrative Assistants to the President. He regularly attends meetings of the National Security Council, is the principal foreign intelligence advisor to the Council, and is a full member of the Operations Coordinating Board, in addition to his responsibilities as the operating head of the Central Intelligence Agency. The basic responsibilities of the Director

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B The Deputy Director of Central Intelligence works on equal terms with the Deputy Under Secretaries of State and the Under Secretaries of the military departments, and the principal operating deputies under him in the Agency deal as equals with Assistant Secretaries of State, Defense and other departments. This de facto equality has long been recognized in the composition of interdepartmental boards, such as the Planning Board of the National Security Council. The Hoover Commission Task Force on intelligence activities has expressed the view that the position of Deputy Director of Central Intelligence should be equated with those of Under Secretaries in the executive departments.

I am sure that your Committee will bear the above considerations in mind in its deliberations on H.R. 7619 and S. 2628, and I again thank *you* for permitting me to express the views of this Agency on this most important matter.

The Bureau of the Budget has concurred in the transmittal of this letter.


Sincerely,

Allen W. Dulles
Director

MEMORANDUM FOR: The Director

I have discussed this matter with Gen. Cabell, and he and I both feel that if possible you should avoid any direct statement of support for S.2628. This language, which we worked out jointly, is designed to accomplish this, and still make the general point that new executive pay legislation is desirable.

I have not yet coordinated this with the Bureau of the Budget, as it is not precisely along the lines I had discussed earlier with you.


Norman S. Paul
Legislative Counsel

13 Feb. 1956
(DATE)

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FORM NO. 101 REPLACES FORM 10-101
1 AUG 54 WHICH MAY BE USED.

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